Committee's estimate, while, on the other hand, the circulation of bank notes has risen by £27 millions and the issue of currency notes has taken place to the tune of £259 millions (at the date of the Report: it is now nearly £300 millions), making a net addition to legal tender currency of over £200 millions. When we also remember that there has been a very heavy coinage of silver and copper, that the Bank of England's deposits have risen by over £100 millions and the deposits of the other banks by nearly £700 millions, and all this at a time when most of the industrial activity of the country was going into the production of destructive weapons and the support of those who were using them, the behaviour of commodities of ordinary use in rising by nearly 100 per cent, seems to be an example of remarkable moderation. With all this new buying power in the hands of the community there is little wonder that some people should think that we have enormously increased our wealth during this most destructive and costly war, and should then feel hurt and disappointed when they find that this new buying power is robbed of all its beauty by the fact that its efficiency as buying power is seriously diminished by its mere quantity.

Such being the state of affairs—a great mass of new credit and currency based on securities—it is clear that our currency has been

deprived for the time being of that direct relation with its gold basis that used in former time to regulate its volume according to world prices and our international trade position. As the Committee says, " It is not possible